

Douglas to Legislature on transportation: Figure it out

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MONTPELIER — Gov. James Douglas may have taken a step back from his plan to fund transportation projects after stiff opposition from towns statewide, but he still doesn't like the plan now moving through the House.

The dispute likely is to be a central issue next week when the Legislature reconvenes.

Douglas had suggested using some revenue now going into the education fund to pay for transportation projects. But after towns strongly objected through town meeting resolutions, Douglas said he'll consider alternatives.

Lawmakers need to find a new way to raise the money that does not involve an increase in the gas tax now being considered, he said.

"I think that is a cop-out," said Speaker of the House Gaye Symington, D-Jericho, on Thursday. "He is not proposing anything."

Senate President Pro Tem Peter Welch agreed.

"Up until now the governor has been insistently advocating going into the education fund," Welch said. "I would certainly hope he would work hard to develop a different proposal."

To draw on many millions of dollars in federal highway money secured in large part by U.S. Sen. James Jeffords the state must find matching funds, about \$24 million for next year.

Douglas said he still thinks using the money now going into the education fund would be reasonable, but he is willing to consider alternatives.

"I am not taking my proposal off the table, I think it is a good one," he said. But, he added, "I am willing to work with the legislature to pursue this alternative."

His plan to use revenue now going to the education fund was panned by legislators and by more than 119 towns that approved a resolution objecting to the plan at their town meetings this week.

"I believe the proposal I offered is a sound one," Douglas said. "A number of legislators have been reluctant to support parts of it."

Douglas said increasing the gas tax would make the state more expensive to live in and do business.

Indeed the transportation money can be found through cost-cutting measures, he said.

"There will have to be some budget cuts somewhere in order to accommodate them," he said.

Douglas said he still wants the Legislature to approve part of his plan, reducing the property tax rebates that benefit the "wealthy" and using the money to lower the property tax rate. Douglas said he does not want to expand income sensitivity program for property tax payers, as legislators have proposed.

"Cutting rebates raises taxes," Symington said. "You are increasing the taxes on working Vermonters in a very targeted way, and you are lowering taxes on Vermonters who are too wealthy to qualify for income sensitivity."

Symington said funding the needed improvements in roads and rails in the state will take hard choices.

"We are doing what Vermonters want us to do and put forward what we think needs to get done, even though we know we will take some flak for it. That is what leaders do."